GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:688
ANSWERED ON:22.11.2002
RELEASE OF SUGAR QUOTA
JAI PRAKASH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have released sugar quota for October-December, 2002 quarter;

(b) if so, the quantum allocated to various States, State-wise and Quantum-wise;

(c) if not, the reasons for delay;

(d) the status regarding the decontrol of sugar industry; and

(e) the effective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a),(b)&(c): The free sale quota for the quarter October-December, 2002 was announced in the month of September, 2002, as under:

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October 2002  11.50 lakh tonnes
November 2002  10.50 lakh tonnes
December 2002  10.00 lakh tonnes
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The State-wise allocations of free sale quota for the months of October, 2002 and November, 2002 are enclosed at Annexure. The allocation of free sale quota for the month of December, 2002 would be made at the end of November, 2002 with a validity period from 1st December, 2002 to 31st December, 2002.

(d)&(e): Action has been initiated towards decontrol of the sugar industry; the process of decontrol needs to be effected in a manner so as to avoid destabilization, including in the prices, and has to be accompanied by steps, such as establishment of a forward/futures market for sugar in the interest of long term price stabilization. The compulsory levy percentage was reduced from 40% to 30% w.e.f. 1.1.2000, from 30% to 15% w.e.f. 1.2.2001 and, subsequently, w.e.f. 1.3.2002, has been reduced from 15% to 10%.

Decontrol of sugar is linked with the operationalisation of futures/forward trading in sugar; in May 2001, a Notification was issued under the Forward Contracts (Regulation) Act, 1952 allowing futures/forward trading in sugar. In November, 2001, `in principle` clearances were accorded to three proposed Exchanges, two in Mumbai and one in Hyderabad. One Exchange has shifted to Delhi. Recognition has been extended to one of the three Exchanges for a period of five years w.e.f. 20.6.2002 for conducting future trading in sugar under Section 5 of the Forward Contracts (Regulation) Act, 1952.

ANEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a),(b)&(c) OF UNSTARRED QUESTION NO.688 DUE FOR ANSWER (11-2002 IN THE LOK SABHA.

THE STATE-WISE ALLOCTION OF FREE SALE QUOTA FOR THE MONTHS OF OCTOBER, 2002 AND NOVEMBER, 2002.

(Quantity in M.Ts)

Sl.No.	State	Allocation for October, 2002	Allocation for November, 2002

1. Punjab	35191.5	31797.6
2. Haryana	29923.1	26951.2
3. Rajasthan	341.8	274.7
4. Uttar Pradesh	311661.9	285447.4
5. Madhya Pradesh	4635.2	4245.2
6. Gujarat	68480.8	61099.3
7 Maharashtra	378232.4	341580.4
8. Bihar	19477.8	17746.8
9. Assam	0.0	0.0
10. Orissa	1509.9	1344.5
11. West Bengal	30.2	26.8
12. Andhra Pradesh	66375.7	60560.2
13. Karnataka	102400.9	98101.1
14. Tamil Nadu	128684.7	118067.0
15. Pondicherry	2387.5	2186.7
16. Kerala	240.3	220.1
17. Goa	426.0	351.7
Total	1149999.7	1050000.7